



# POTOMAC BANK OF VIRGINIA®

March 8, 2006

Board of Governors of the  
Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, N.W.  
Washington, DC 20551

Attention: Ms. Jennifer J. Johnson  
Secretary

Re: Docket No. OP – 1248

Dear Ms. Johnson:

This letter is in response to your request for comments on proposed regulations to limit commercial real estate lending by community banks through proposed restraints based on capital. This would unfairly punish community Banks, the building industry, and economic development while unfairly enriching the remaining large banks who would benefit from reduced competition.

Currently the Federal Reserve encourages real estate lending on the part of community banks. To change course so abruptly would cause significant disruption in the market and irreparable harm to the institutions affected. It would also hurt our loyal customers, which would slow down economic growth, especially in small communities often ignored by the larger banks.

Finally, this regulations would unjustly reward the larger banks that would be allowed to remain in the real estate lending business facing less competition. This is an unfair proposal that appears ripe with unintended consequences and I strongly urge you to not continue with this action.

Very truly yours,

Craig S. Underhill  
Senior Vice President  
and Chief Lending Officer



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